

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MAJOR			TOTALS	
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	NON-MAJOR		
<b>OPERATING REVENUES</b>					
Operating revenues	\$ 2,232,204	\$ 1,727,761	\$ 722,716	\$ 4,682,681	\$ 1,729,382
Total Operating Revenues	2,232,204	1,727,761	722,716	4,682,681	1,729,382
<b>OPERATING EXPENSES</b>					
Salaries, wages, and other administrative	270,491	6	61,466	331,962	530,366
Depreciation	157	-	13	170	51,606
Purchases for resale	-	-	524,559	524,559	78,301
Purchases for prison industries	-	-	-	-	16,286
Lottery prize awards	1,268,175	-	-	1,268,175	-
Premiums and claims	-	-	164	164	992,761
Unemployment benefits	-	1,925,144	-	1,925,144	-
Other operating expenses	-	65,047	902	65,950	47,865
Total Operating Expenses	1,538,822	1,990,197	587,104	4,116,123	1,717,185
Operating Income (Loss)	693,382	(262,436)	135,612	566,558	12,197
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Specific tax on spirits	-	-	12,654	12,654	-
Interest revenue	4,084	-	4,779	8,863	-
Investment revenue (expense) - net	31,021	18,827	82	49,930	-
Other nonoperating revenues	-	-	-	-	336
Amortization of prize award obligation discount	(29,388)	-	-	(29,388)	-
Interest expense	(15,976)	-	-	(15,976)	(1,075)
Other nonoperating expense	-	-	-	-	(177)
Total Nonoperating Revenues (Expenses)	(10,258)	18,827	17,514	26,083	(915)
Income (Loss) Before Transfers	683,124	(243,609)	153,126	592,641	11,282
<b>TRANSFERS</b>					
Transfers To:					
School Aid Fund	(688,017)	-	-	(688,017)	-
Other funds	(11,479)	(12,550)	(152,360)	(176,389)	(1,328)
Total transfers to other funds	(699,496)	(12,550)	(152,360)	(864,406)	(1,328)
Change in net assets	(16,372)	(256,159)	766	(271,766)	9,953
Total net assets - Beginning of fiscal year - restated	52,451	842,062	7,472	901,986	208,445
Total net assets - End of fiscal year	\$ 36,079	\$ 585,903	\$ 8,239	\$ 630,220	\$ 218,398

The accompanying notes are an integral part of the financial statements.